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**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

Board Members and Superintendent
Cameron Parish School Board
P.O. Box 1548
Cameron, LA 70631-1548

I have performed the procedures enumerated below, which were agreed upon by the superintendent and members of the Cameron Parish School Board solely to assist the users in evaluating the propriety of certain transactions, records, and procedures. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

In connection with this engagement, the following specified procedures were performed:

1. **Verify the accuracy of bank reconciliations for the period from July, 1998 through January, 1999.**

Bank reconciliations are not properly performed. All amounts presented on the reconciliations could not be independently verified. Based on verified amounts, reconciliations had unidentified differences ranging from a \$1,119 excess to a \$1,675 deficiency. As a result of unidentified differences, the accuracy and correctness of only the July and August, 1998 reconciliations could be verified. It was also noted that although the accounting program used by the school board has a bank reconciliation function, the bookkeeper was not using it.

The following are additional problems noted during the procedures performed on bank reconciliations;

Two checks, dated 7/24/98 and 8/31/98 respectively, were prepared in June for July and August issuance (salaries payable at June 30th). However, dates on the checks were changed and they were issued prior to the original check dates. No documentation on supervisory approval was available.

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed entity and other appropriate public officials. The report is available for inspection at the Baton Rouge office of the Legislative Auditor. Where appropriate, at the parish clerk of court.

Date May 7 2 1998

Cameron Parish School Board
Cameron, Louisiana
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- b. A new payroll system was installed and new checks used, however, the payroll clerk used four checks from the old system to make three deduct refunds to employees and pay a group insurance premium. Because the new checks were numbered differently, the old checks should not have been used.
 - c. Two checks were written and issued in August, 1998 but were not recorded in the journal until October, 1998.
 - d. Checks for 2/15/99 were dated 1/15/99. The payroll clerk later changed the check dates to 2/15/99 with an ink pen. The actual check numbers did not correspond to the check numbers entered into the check register.
 - e. Checks written in December, 1998 and January, 1999, were not issued in numerical order. When checks were written in January, an incorrect starting number was entered by the clerk. Those numbers are printed on the checks along with the preprinted numbers which are already on the checks. Consequently, the two numbers on any one check did not agree. The clerk later changed the computer printed numbers on the checks to agree with the preprinted numbers, however, the system recorded the incorrect numbers.
 - f. One check was voided in September, 1998, however, the check is still being carried as outstanding on bank reconciliations.
2. **Trace 1998 IRS Form W-2 amounts for selected employees to payroll records and verify that the two amounts agree.**

Although the clerk had some problems producing total annual salaries on the payroll system due to conversion to the new system, she was able to resolve the problems. Amounts printed on individual W-2s agreed to corrected payroll amounts.

3. **Trace amounts on quarterly tax reports for the period from July, 1998 through December, 1998, to payroll records and verify that amounts agree.**

Differences were noted between quarterly reports and payroll records for both the 3rd and 4th quarters. The payroll system provides two wage amounts; gross wages and federal tax wages (wages subject to federal tax). It appears that the payroll clerk used federal wage reports rather than gross wage reports for part of the 3rd quarter. Gross wages on 3rd quarter 941 differed from correct amounts by \$87,910 and the same amounts for the 4th quarter differed by \$2,101.

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4. **Examine selected payroll checks issued during the period July, 1998 through January, 1999 for propriety. Verify that payee and amount agree with posting in the payroll records. Verify that endorsements agree with payee.**

Thirty checks were examined (some from each month) for the attributes noted above. The test disclosed no exceptions. For all checks examined, payee and amount agreed with posting to payroll records. Further, all endorsements agree with the payees shown on the checks.

5. **If considered necessary, perform a proof of cash for selected months during the period July, 1998 thorough January, 1999.**

The results of tests and other work performed on procedures 1 through 4 above provided no reason to believe that a proof of cash would serve any useful purpose.

GENERAL

I was not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of the specified users noted above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.



West Monroe, Louisiana
April 15, 1999

CAMERON PARISH SCHOOL BOARD

**P. O. BOX 1548
CAMERON, LA 70631
PHONE 318-775-5784
FAX 318-775-5097**

DISTRICT 1. CLIFTON MORRIS
DISTRICT 2. GLEND A AB SHIRE
DISTRICT 3. PAT HOWERTON

DISTRICT 4. BILL MORRIS
DISTRICT 5. TONY JOHNSON
DISTRICT 6. MARVIN TRAHAN

April 15, 1999

Mr. Daniel G. Kyle, Secretary
Legislative Audit Advisory Council
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Kyle:

The Cameron Parish School Board respectfully submits the following corrective action plan relative to the procedures enumerated below and which were agreed upon by the superintendent and the members of the Cameron Parish School Board solely to assist the users in evaluating the propriety of certain transactions, records, and procedures.

In connection with this engagement, the following specified procedures were performed and respective correction action follows:

1. Verify the accuracy of bank reconciliations for the period from July, 1998 through January, 1999.

Bank reconciliations are not properly performed. All amounts presented on the reconciliations could not be independently verified. Based on verified amounts, reconciliations had unidentified differences ranging from a \$1,119 excess to a \$1,675 deficiency. As a result of unidentified differences, the accuracy and correctness of only the July and August, 1998 reconciliations could be verified. It was also noted that although the accounting program used by the school board has a bank reconciliation function, the bookkeeper was not using it.

CORRECTIVE ACTION:

The bookkeeper will fully utilize the bank reconciliation function of the accounting program.

The superintendent of schools will review and indicate by her signature and date received that bank statements have been reconciled accurately and in a timely fashion. (timely is defined as within five working days of receipt of bank statement by bookkeeper, statements will be reconciled and on superintendent's desk for review)

The following are additional problems noted during the procedures performed on bank reconciliations:

- a. Two checks, dated 7/24/98 and 8/31/98 respectively, were prepared in June for July and August issuance (salaries payable at June 30th). However, dates on the checks were changed and they were issued prior to the original check dates.

CORRECTIVE ACTION:

No checks will be defaced or issued prior to original check date.

- b. A new payroll system was installed and new checks used, however, the payroll clerk used four checks from the old system to make three deduct refunds to employees and pay a group insurance premium. Because the new checks were numbered differently, the old checks should not have been used.

CORRECTIVE ACTION:

Old checks have been destroyed.

- c. Two checks were written and issued in August, 1998 but were not recorded in the journal until October, 1998.

CORRECTIVE ACTION:

All checks will be recorded in the month they were issued.

- d. Checks for 2/15/99 were dated 1/15/99. The payroll clerk later changed the check dates to 2/15/99 with an ink pen. The actual check numbers did not correspond to the check numbers entered in the check register.

CORRECTIVE ACTION:

No checks will be defaced. Any circumstance similar to the above will necessitate voiding checks and reissuing.

- e. Checks written in December, 1998 and January, 1999, were not issued in numerical order. When checks were written in January, an incorrect starting number was entered by the clerk. Those numbers are printed on the checks along with the preprinted numbers which are already on the checks. Consequently, the two numbers on any one check did not agree.

The clerk later changed the computer printed numbers on the checks to agree with the preprinted numbers, however, the system recorded the incorrect numbers.

CORRECTIVE ACTION:

All checks will be written in numerical order and will not be defaced.

- f. One check was voided in September, 1998, however, check is still being carried as outstanding on bank reconciliation.

CORRECTIVE ACTION:

No voided checks will be shown as outstanding on bank reconciliation.

2. Trace 1998 IRS Form W-2 amounts for selected employees to payroll records and verify that the two amounts agree.

Although the clerk had some problems producing total annual salaries on the payroll system due to conversion to the new system, she was able to resolve the problems. Amounts printed on individual W-2s agreed to corrected payroll amounts.

NO CORRECTIVE ACTION INDICATED

3. Trace amounts on quarterly tax reports for the period from July, 1998 through December, 1998, to payroll records and verify that the amounts agree.

Differences were noted between quarterly reports and payroll records for both the 3rd and 4th quarters. The payroll system provides two wage amounts; gross wages and federal tax wages (wages subject to federal tax). It appears that the payroll clerk used federal wages reports rather than gross wage reports for part of the 3rd quarter. Gross wages on 3rd quarter 941 differed from correct amounts by \$87,910 and the same amounts for the 4th quarter differed by \$2,101.

CORRECTIVE ACTION:

Bookkeeper will use the correct wages reports in preparation of 941 reports.

4. Examine selected payroll checks issued during the period July, 1998 through January, 1999 for propriety. Verify that payee and amount agree with posting in the payroll records. Verify that endorsements agree with payee.

Thirty checks were examined (some from each month) for the attributes noted above. The test disclosed no exceptions. For all checks examined, payee and amount agreed with posting to payroll records. Further, all endorsements agree with the payees shown on the checks.

NO CORRECTIVE ACTION INDICATED

5. If considered necessary, perform a proof of cash for selected months during the period July, 1998 through January, 1999.

The results of tests and other work performed on Procedures 1 through 4 above provided no reason to believe that a proof of cash would serve any useful purpose.

In addition to the preceding corrective actions, the bookkeeper will generate the reports delineated. These reports will be reviewed, signed and dated by the superintendent prior to signing checks:

1. Input Edit Report
2. General Ledger Posting Exception
3. Payroll Register in Detail
4. Substitute Worker Summary Recap
5. Post Payroll to General Ledger

Sincerely,



Judith Jones
Superintendent

jf